

249368

**WILLOUGHBY & HOEFER, P.A.**

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CHAD N. JOHNSTON  
JOHN W. ROBERTS  
ANDREW J. D'ANTONI

AREA CODE 803  
TELEPHONE 252-3300  
TELECOPIER 256-8062

March 18, 2014

\*ALSO ADMITTED IN TX

\*\*ALSO ADMITTED IN THE DISTRICT OF COLUMBIA

**VIA HAND-DELIVERY**

The Honorable Jocelyn D. Boyd  
Chief Clerk/Administrator

**Public Service Commission of South Carolina**

101 Executive Center Drive  
Columbia, South Carolina 29211

RECEIVED  
MAR 18 PM 1:00  
PUBLIC SERVICE  
COMMISSION

RE: Application of Palmetto Wastewater Reclamation LLC d/b/a Alpine Utilities and d/b/a Woodland Utilities for adjustment of rates and charges for, and modification to certain terms and conditions related to, the provision of sewer service. Docket No. 2014-69-S

Dear Mrs. Boyd:

Enclosed for filing are the original and one (1) copy of the Application of Palmetto Wastewater Reclamation LLC in the above-referenced matter. Also enclosed you will find the Applicant's proposed notice of filing.

By copy of this letter, we are providing a copy of this filing to the Executive Director of ORS. I would appreciate your acknowledging receipt of this Application and Certificate by date-  
✓ stamping the extra copy that is enclosed and returning it to me via my courier.

If you have any questions or if you need any additional information, please do not hesitate to contact me. With best regards, I am

Sincerely,

**WILLOUGHBY & HOEFER, P.A.**



John M.S. Hoefer

JMSH/sw  
enclosures

The Honorable Jocelyn D. Boyd

March 18, 2014

Page 2

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cc: Honorable C. Dukes Scott  
Jeffrey M. Nelson, Esquire  
Florence P. Belser, Esquire

STATE OF SOUTH CAROLINA

(Caption of Case)

Application of Palmetto Wastewater Reclamation  
LLC d/b/a Alpine Utilities and d/b/a Alpine Utilities  
and d/b/a Woodland Utilities for adjustment of rates  
and charges for, and the modification of certain terms  
and conditions related to, the provision of sewer  
service.

BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA

COVER SHEET

DOCKET  
NUMBER: 2014 - 69 - S

(Please type or print)

Submitted by: John M.S. Hoefer, Esquire

SC Bar Number: 2549

Address: Post Office Box 8416

Telephone: 803-252-3300

Columbia, SC 29202

Fax: 803-771-2410

Other:

Email: jhoefer@willoughbyhoefer.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition

☐ Request for item to be placed on Commission's Agenda expeditiously

☒ Other:

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input checked="" type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input checked="" type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input checked="" type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input checked="" type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other: _____
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other: _____	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	

Print Form

Reset Form

**BEFORE THE**  
**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**  
**DOCKET NO. 2014-69 -S**

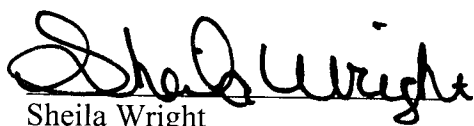
RECEIVED  
MARCH 18 PM 1:10  
PUBLIC SERVICE  
COMMISSION

IN RE: )  
)  
Application of Palmetto Wastewater )  
Reclamation LLC d/b/a Alpine )  
Utilities and d/b/a Woodland Utilities for )  
adjustment of rates and )  
charges for, and the modification of )  
certain terms and conditions related to, )  
the provision of sewer service. )  
\_\_\_\_\_ )

**CERTIFICATE OF SERVICE**

This is to certify that I have caused to be served this day one (1) copy of the **Application and Proposed Notice of Filing** by placing same in the care and custody of the United States Postal Service with first class postage affixed thereto and addressed as follows:

The Honorable C. Dukes Scott  
Jeffrey M. Nelson, Esquire  
Florence P. Belser, Esquire  
Office of Regulatory Staff  
1401 Main Street, Suite 900  
Columbia, South Carolina 29201

  
Sheila Wright

Columbia, South Carolina  
This 18<sup>th</sup> day of March, 2014.

**BEFORE THE**  
**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA**

**DOCKET NO. 2014-69 -S**

IN RE: )  
 )  
Application of Palmetto Wastewater )  
Reclamation LLC d/b/a Alpine )  
Utilities and d/b/a Woodland Utilities for )  
adjustment of rates and )  
charges for, and the modification of )  
certain terms and conditions related to, )  
the provision of sewer service. )  
\_\_\_\_\_ )

**APPLICATION**

Palmetto Wastewater Reclamation LLC, d/b/a Alpine Utilities and also d/b/a Woodland Utilities (“Applicant” or “Company”), would respectfully show unto, and request of, the Commission as follows:

**BACKGROUND**

1. Applicant is a Delaware limited liability company that is authorized to conduct business in the State of South Carolina.

2. Applicant is a public utility, as defined by S.C. Code Ann. § 58-5-10(4) (Supp. 2013), providing sewer service to the public for compensation in certain areas of Richland and Lexington counties pursuant to rates (a) set by the Commission in Order No. 2013-3(A) issued January 11, 2013, in Docket No. 2012-94-S for customers in the Alpine portion of Applicant’s authorized service territory, and (b) rates set by the Commission in Order No. 2007-473 issued August 8, 2007, in Docket No. 2007-61-S and approved for use by Applicant in the Woodland portion of Applicant’s authorized service territory in Order No. 2011-320, issued May 13, 2011,

in Docket No. 2011-65-S.

3. All communications or inquiries regarding this Application should be directed as set forth below:

a. **Applicant's Representatives:**

Mr. R. Stanley Jones, P.E.  
Mr. Benny Wilkinson  
Palmetto Wastewater Reclamation LLC  
1710 Woodcreek Farms Road  
Elgin, South Carolina 29045

b. **Legal Counsel:**

John M. S. Hoefer, Esquire  
Benjamin P. Mustian, Esquire  
Willoughby & Hoefer, P.A.  
Post Office Box 8416  
Columbia, South Carolina 29202-8416  
(803) 252-3300

**REQUEST FOR RATE RELIEF, CONSOLIDATION OF EXISTING RATE SCHEDULES INTO A SINGLE RATE SCHEDULE, AND MODIFICATIONS TO TERMS AND CONDITIONS OF SERVICE**

4. Pursuant to S.C. Code Ann. § 58-5-240 (Supp. 2013) and 10 S.C. Code Ann. Regs. 103-512.4.A and 103-503 (2012), Applicant requests that the Commission approve the rates, charges, conditions and terms of service set forth in the five (5) page rate schedule attached hereto and incorporated herein by this reference as Exhibit "A" for application to all customers of the Company. In regard to the specific content of the proposed rate schedule, Applicant states that it includes, *inter alia*, the following:

a. an adjustment in the amount of the monthly sewer service charges for all customers;

b. the addition of a disconnection notification fee, customer account charge, late payment charge, and service reconnection charges for all customers in the Woodland portion of Applicant's authorized service territory;<sup>1</sup>

c. the modification of the rate schedule for commercial customers in the Woodland portion of Applicant's authorized service territory to provide for the determination of the monthly service charge and the addition of a connection charge based on the number of single family equivalencies derived from the loading guidelines set out in S.C. Code Ann. Regs. 61-67, Appendix A;<sup>2</sup>

d. the addition of language for all customers in the Woodland portion of Applicant's authorized service territory relating to billing to multi-dwelling buildings consisting of four or more units to reflect Applicant's discretion to offer tenant billing as permitted under S.C. Code Ann. § 27-33-50, which language is consistent with the provisions of the rate schedule approved in Order No. Order No. 2013-3(A);

e. the addition of language for all customers in the Woodland portion of Applicant's authorized service territory setting customer billing cycles, toxic and pretreatment effluent guidelines, requirements for satellite systems, construction standards, extension of lines and mains, and the availability of multi-tap capacity, which language is consistent with the provisions of the rate schedule approved in Order No. Order No. 2013-3(A), and

f. the modification of the equivalency ratings for restaurants derived from R.61-67, Appendix A, Part FF.3, to reduce the number of gallons for cars served from forty (40) to ten (10).

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<sup>1</sup> The last two of these charges are set at the amounts specified in 10 SC Code Regs. R. 103-532.2 and R. 103-532.4 (2012), respectively. As to the proposed disconnection notification fee, the Company submits that it is cost justified as the notification by certified mail is required by 10 S.C. Code Regs. 103-535.1 (2012), the Company incurs costs associated with certified mail postage and charges imposed by the U.S. Postal Service, and the time and effort expended by Company personnel in complying with the requirements of the regulation are properly captured by way of a fee imposed upon a customer whose service is to be disconnected. Similarly, a customer account charge in the amount proposed is warranted as it recovers costs of initiating service to persons not yet customers of the utility. Applicant submits further that these two proposed charges are cost justified given that they are within the range for such charges authorized by the Commission for other jurisdictional sewer utilities. Finally, these charges are the same as those currently authorized by the Commission for Applicant's customers in the Alpine portion of its authorized service territory

<sup>2</sup> The currently approved rate schedule for commercial customers in the Woodland portion of Applicant's authorized service territory already contemplates the use of these guidelines for monthly service charges, but sets out a dollar amount as opposed to an equivalency factor rating. *See* Order No. 2007-473, Order Exhibit No. 1, Attachment A at p. 13. Currently, only one commercial customer exists in the Woodland portion of the Applicant's service territory which is a school. Finally, adoption of the proposed rate schedule would reduce the number of gallons attributable to, and the resulting equivalency rating for, each car served by any customer operating a fast-food restaurant under R.61-67, Appendix A, Subpart FF.3 by 75%. This modification is consistent with that adopted by the Commission for Palmetto Utilities, Inc. in Order No. 2013-660, issued September 17, 2013, in Docket No. 2013-42-S, p. 25, para. c) and Exhibit 1, para. 3, pp.2-3.

## **SUPPORTING DOCUMENTATION**

5. Applicant proposes a test year of January 1, 2013 to December 31, 2013, and has prepared certain financial statements relating to that time period in support of the Application, which statements are attached hereto and incorporated herein by this reference as Exhibit “B,” pages 1 through 14. These financial statements include the following:

- a. Balance Sheet (Schedule A); and
- b. Current and pro forma income and expense statements (Schedule B);
- c. Schedule of billed revenue at current and proposed rates (Schedule C);
- d. Schedule of fixed assets and depreciation (Schedule D), and
- e. Schedule of present and projected customers (Schedule E).

6. Attached hereto and incorporated herein by this reference as Exhibit “C” is the most recent approval letter from the South Carolina Department of Health and Environmental Control (“DHEC”).

7. Attached hereto and incorporated herein by this reference as Exhibit “D” is the Company’s current customer bill form.

8. There is on file with this Commission a certificate of deposit in the amount of Three Hundred Fifty Thousand (\$350,000.00) Dollars given to satisfy the requirements of S.C. Code Ann. § 58-5-720 (Supp. 2013). A map depicting Applicant’s current service area and its most recent Annual Report are on file with the Commission.

9. Evidence of the Applicant’s last period paid Gross Receipts report is attached hereto and incorporated herein by reference as Exhibit “E”.



10. The financial statements, the other documents submitted herewith, and the references to documents on file with the Commission are offered to comply with Commission Rules 103-512.4.A and 103-823 and to provide information useful to the Commission in considering the reasonableness of the proposed rate schedule.<sup>3</sup>

### **NEED AND JUSTIFICATION FOR RATE RELIEF**

11. Applicant submits that rate relief is justified for the following reasons:

a. Rate relief was last sought from this Commission for customers in what is now the Woodland portion of Applicant's authorized service territory in February of 2007 based upon a test year ending December 31, 2006. Thus, it has been over seven (7) years since rates were adjusted in this portion of Applicant's authorized service territory based on expense data that is over eight (8) years old. Since the approved test year for the last rate case pertaining to this portion of Applicant's authorized service territory, expenses associated with this system have increased by approximately \$275,000. Further, and as reflected in Commission Order No. 2011-320, issued May 13, 2011, in Docket No. 2011-65-S approving Applicant's acquisition of same, the system serving the Woodland portion of its authorized service territory was in need of improvements. Applicant has, in fact, made improvements to the Woodland system, including installation of elder valves, liners in collection and transportation mains, replacement of sewer lines, installation of new pumps, installation of new aerators, and capitalized maintenance requiring accelerated line cleaning, video inspection, root cutting, hammer

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<sup>3</sup> To the extent any provision of Commission regulation requiring additional information is not complied with herein, it is due to Applicant's belief that same does not apply. To the extent any such regulation requirement is deemed to be applicable, Applicant respectfully requests a waiver of same pursuant to Rule 103-803.

tap removal, installation of new inflow protectors, raising and refurbishing manholes, debris and grease removal. at a cost of approximately \$1.32 Million.

b. Rate relief was last sought from this Commission for the Alpine portion of Applicant's authorized service territory in July of 2012 based upon a test year ending December 31, 2011. Thus, it has been more than one and one-half (1½) years since rates were adjusted in this portion of Applicant's authorized service territory based on expense data that is more than two (2) years old. Since the approved test year for the last rate case pertaining to this portion of Applicant's authorized service territory, expenses associated with this system have increased by approximately \$414,000. Further, and as reflected in the Commission's Order No. 2011-320 approving Applicant's acquisition of same, the system serving the Alpine portion of Applicant's authorized service territory was in need of additional, significant upgrades. This Commission recognized Applicant's then current level of investment in that regard in Order No. 2013-3(A). Since then, Applicant has made additional investments in the Alpine system, including replacement of a bar screen, construction of a new sludge press building and two (2) new digesters, repair and replacement of aerator walls, installation of a second clarifier, installation of elder valves, installation of collection and transportation main liners, replacement of sewer lines, installation of new pumps, and capitalized maintenance requiring accelerated line cleaning, video inspection, root cutting, hammer tap removal, installation of new inflow protectors, raising and refurbishing manholes, debris and grease removal, at a cost of approximately \$4.52 Million.

c. The foregoing increased expenses and investment are consistent with the terms and conditions of the Memorandum of Understanding between Applicant and the Department of Health and Environmental Control executed in connection with Applicant's acquisition of the two systems serving its authorized territory. See Order No. 2013-3(A) at p.16.

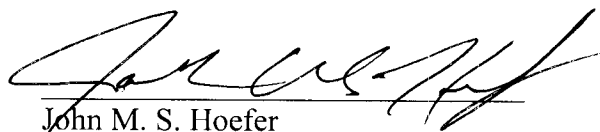
d. Applicant has attempted to make customers aware of the facilities improvements and increased expenditures requiring rate relief in "town hall" meetings sponsored by the Company in its service area, the most recent of which was held on March 6, 2014. Applicant submits that the proposed rate increase is necessary in order that it may provide reasonable and adequate service to its customers, recover its expenses, be permitted an opportunity to earn a reasonable return on its investment, and attract capital for future improvements. Said rates are also necessary in order that the Applicant may comply with standards and regulations set by the South Carolina Department of Health and Environmental Control or other environmental regulatory authorities. Said rates will preserve the financial integrity of the Applicant, promote continued investment in and maintenance of its facilities, and thereby permit Applicant to continue providing reliable and high quality sewer services.

#### **CONSOLIDATION OF RATE SCHEDULES**

12. If approved by this Commission, the instant application would consolidate all of the Company's customers under a single rate schedule, the provisions of which have heretofore been approved by the Commission for use in the Alpine portion of the Company's authorized service territory. This will result in uniformity of rates and terms and conditions of service for all

customers served by the Company. This will also serve judicial and administrative economy in that it will reduce the number of rate cases required for the separate customer bases now served by Applicant. The Company therefore submits that the approval of the proposed rate schedule is in the public interest.

**WHEREFORE**, having fully set forth its Application, Applicant prays that the Commission accept the within Application for filing, approve the adjustments to rates and charges and the modifications to the terms and conditions of service herein, grant any waivers from Commission regulations as may be warranted, and grant to Applicant such other and further relief as the Commission may deem just and proper.



John M. S. Hoefer

Benjamin P. Mustian

**WILLOUGHBY & HOEFER, P.A.**

Post Office Box 8416

Columbia, South Carolina 29202-8416

803-252-3300

Attorneys for Palmetto Wastewater  
Reclamation LLC

This 18 day of March, 2014.  
Columbia, South Carolina

PALMETTO WASTEWATER RECLAMATION LLC  
1713 WOODCREEK FARMS ROAD  
ELGIN, SC 29045  
(803) 699-2422

**PROPOSED SEWER RATE SCHEDULE**

**1. MONTHLY CHARGE**

- |    |   |          |
|----|---|----------|
| a. | Residential - Monthly charge per single-family house, condominium, villa or apartment unit  | \$35.50  |
| b. | Mobile Homes  | \$26.50  |
| c. | Commercial - Monthly charge per single-family equivalent  | \$ 35.50 |
| d. | The monthly charges listed above are minimum charges and shall apply even if the equivalency rating is less than one (1). If the equivalency rating is greater than one (1), then the monthly charges may be calculated by multiplying the equivalency rating by the monthly charge of \$35.50. |          |

Commercial customers are those not included in the residential and mobile home categories above and include, but are not limited to, hotels, stores, restaurants, offices, industry, etc. Minimum commercial customer equivalency ratings may exceed one (1) in some cases.

The Utility may, for the convenience of the owner, bill a tenant in a multi-unit building, consisting of four or more residential units which is served by a master sewer meter or a single sewer connection. However, in such cases all arrearages must be satisfied before service will be provided to a new tenant or before interrupted service will be restored. Failure of an owner to pay for services rendered to a tenant in these circumstances may result in service interruptions.

**2. NONRECURRING CHARGES**

- |    |  |          |
|----|--|----------|
| a. | Sewer service connection charge per single-family equivalent | \$250.00 |
|----|--|----------|

- b. The nonrecurring charges listed above are minimum charges and apply even if the equivalency rating is less than one (1). If the equivalency rating is greater than one (1), then the proper charge may be obtained by multiplying the equivalency rating by the appropriate fee. These charges apply and are due at the time new service is applied for, or at the time connection to the sewer system is requested.

3. **NOTIFICATION, ACCOUNT SET-UP AND RECONNECTION CHARGES**

- a. Notification Fee: A fee of \$25.00 shall be charged each customer to whom the Utility mails the notice as required by Commission Rule R.103-535.1 prior to service being discontinued. This fee assesses a portion of the clerical and mailing costs of such notices to the customers creating that cost.
- b. Customer Account Charge: A fee of \$20.00 shall be charged as a one-time fee to defray the costs of initiating service.
- c. Reconnection charges: In addition to any other charges that may be due, a reconnection fee of \$250.00 shall be due prior to the Utility reconnecting service which has been disconnected for any reason set forth in Commission Rule R.103-532.4. Where an elder valve has been previously installed, a reconnection charge of thirty-five dollars (\$35.00) shall be due. The amount of the reconnection fee shall be in accordance with R.103-532.4 and shall be changed to conform with said rule as the rule is amended from time to time.

4. **BILLING CYCLE**

Recurring charges will be billed monthly. Nonrecurring charges will be billed and collected in advance of service being provided.

5. **LATE PAYMENT CHARGES**

Any balance unpaid within twenty-five (25) days of the billing date shall be assessed a late payment charge of one and one-half (1½%) percent.

6. **TOXIC AND PRETREATMENT EFFLUENT GUIDELINES**

The Utility will not accept or treat any substance or material that has been defined by the United States Environmental Protection Agency ("EPA") or the South Carolina Department of Health and Environmental Control ("DHEC") as a toxic pollutant, hazardous waste, or hazardous substance, including pollutants falling within the provisions of 40 CFR §§ 129.4 and 401.15. Additionally, pollutants or pollutant

properties subject to 40 CFR §§ 403.5 and 403.6 are to be processed according to the pretreatment standards applicable to such pollutants or pollutant properties, and such standards constitute the Utility's minimum pretreatment standards. Any person or entity introducing any such prohibited or untreated materials into the Company's sewer system may have service interrupted without notice until such discharges cease, and shall be liable to the Utility for all damages and costs, including reasonable attorney's fees, incurred by the Utility as a result thereof.

**7. REQUIREMENTS AND CHARGES PERTAINING TO SATELLITE SYSTEMS**

- a. Where there is connected to the Utility's system a satellite system, as defined in S.C. Code Ann. Regs. 61-9.505.8 or other pertinent law, rule or regulation, the owner or operator of such satellite system shall operate and maintain same in accordance with all applicable laws, rules or regulations.
- b. The owner or operator of a satellite system shall construct, maintain, and operate such satellite system in a manner that the prohibited or untreated materials referred to in Section 6 of this rate schedule (including but not limited to Fats, Oils, Sand or Grease), stormwater, and groundwater are not introduced into the Utility's system.
- c. The owner or operator of a satellite system shall provide Utility with access to such satellite system and the property upon which it is situated in accordance with the requirements of Commission Regulation 103-537.
- d. The owner or operator of a satellite system shall not less than annually inspect such satellite system and make such repairs, replacements, modifications, cleanings, or other undertakings necessary to meet the requirements of this Section 7 of the rate schedule. Such inspection shall be documented by written reports and video recordings of television inspections of lines and a copy of the inspection report received by the owner or operator of a satellite system, including video of the inspection, shall be provided to Utility. Should the owner or operator fail to undertake such inspection, Utility shall have the right to arrange for such inspection and to recover the cost of same, without mark-up, from the owner or operator of the satellite system.
- e. Should Utility determine that the owner or operator of a satellite system has failed to comply with the requirements of this Section 7 of the rate schedule, with the exception of the requirement that a satellite system be cleaned, the Utility may initiate disconnection of the satellite system in accordance with the Commission's regulations, said disconnection to endure until such time as said requirements are met and all charges, costs and expenses to which Utility is entitled are paid. With respect to the cleaning of a satellite system, the owner or operator of a satellite system shall have the option of cleaning same

within five (5) business days after receiving written notice from Utility that an inspection reveals that a cleaning is required. Should the owner or operator of such a satellite system fail to have the necessary cleaning performed within that time frame, Utility may arrange for cleaning by a qualified contractor and the cost of same, without mark-up, may be billed to the owner or operator of said system.

8. **CONSTRUCTION STANDARDS**

The Utility requires all construction to be performed in accordance with generally accepted engineering standards, at a minimum. The Utility from time to time may require that more stringent construction standards be followed in constructing parts of the system.

9. **EXTENSION OF UTILITY SERVICE LINES AND MAINS**

The Utility shall have no obligation at its expense to extend its utility service lines or mains in order to permit any customer to discharge acceptable wastewater into its sewer system. However, anyone or any entity which is willing to pay all costs associated with extending an appropriately sized and constructed main or utility service line from his/her/its premises to an appropriate connection point on the Utility's sewer system may receive service, subject to paying the appropriate fees and charges set forth in this rate schedule, complying with the guidelines and standards hereof, and, where appropriate, agreeing to pay an acceptable amount for multi-tap capacity.

10. **CONTRACTS FOR MULTI-TAP CAPACITY**

The Utility shall have no obligation to modify or expand its plant, other facilities or mains to treat the sewerage of any person or entity requesting multi-taps (a commitment for five or more taps) unless such person or entity first agrees to pay an acceptable amount to the Utility to defray all or a portion of the Utility's costs to make modifications or expansions thereto.

11. **SINGLE FAMILY EQUIVALENT**

A Single Family Equivalent (SFE) shall be determined by using the wastewater design loading guidelines found in 25 S.C. Code Ann. Regs. 61-67 Appendix A (Supp. 2010), as may be amended from time to time, except that commercial customers described in sub-part FF.3 of the foregoing regulation shall have their number of SFE's calculated on the basis of ten (10) gallons per car served. Where the Utility has reason to suspect that a person or entity is exceeding design loadings established by these guidelines, the Utility shall have the right to request and receive water usage records from



**Application of Palmetto Wastewater Reclamation LLC**  
**Docket No. 2014-69-S**  
**Exhibit A**  
**Page 5 of 5**

that person or entity and/or the provider of water to such person or entity. Also, the Utility shall have the right to conduct an "on premises" inspection of the customer's premises. If it is determined that actual flows or loadings are greater than the design flows or loadings, then the Utility shall recalculate the customer's equivalency rating based on actual flows or loadings and thereafter bill for its services in accordance with such recalculated loadings.

**Application of Palmetto Wastewater Reclamation LLC**

**Docket No. 2014-69-S**

**Exhibit B**

**Page 1 of 14**

**Palmetto Wastewater Reclamation, LLC - Alpine and Woodland Utilities**  
**Balance Sheet**  
**for the Year Ended December 31, 2013**

**Schedule A**  
**Page 1 of 2**

<u>Line</u> <u>No.</u>	<u>NARUC Account Number and Title</u> (1)		<u>Year-End</u> <u>Balance</u> (2)
1	131	Cash	\$ 177,775
2	141	Customer Accounts Receivable	382,306
3	142	Other Accounts Receivable	1,821
4	143	Accumulated Provision for Uncollectible Accounts	(61,057)
5	151	Materials and Supplies Inventory	7,845
6	162	Prepayments	19,101
7		Total Current Assets	<u>527,791</u>
8			
9	123	Investment in Ni America Capital Management, LLC	<u>8,544,854</u>
10			
11	145	Accounts Receivable from Ni America Capital Management, LLC	100,000
12	145	Accounts Receivable from Palmetto Utilities, Inc.	683
13	145	Accounts Receivable from Palmetto of Richland County, LLC	50,352
14		Total Accounts Receivable from Associated Companies	<u>151,035</u>
15			-
16	181	Unamortized Debt Discount and Expense	<u>89,498</u>
17			
18	186.1	Deferred Rate Case Expenses	<u>120,499</u>
19			
20	186	Other Deferred Debit - Mid-Carolina Capital Account	<u>43,084</u>
21			
22	186.3	Regulatory Asset - Capitalized Maintenance	1,183,086
23	186.3	Accumulated Amortization of Regulatory Asset	(394,844)
24		Regulatory Asset - Net	<u>788,242</u>
25			
26	101	Utility Plant in Service	6,556,873
27	105	Construction Work in Progress	938,536
28	108	Accumulated Provision for Depreciation	(1,525,786)
29	114	Utility Plant Acquisition Adjustments	1,540,982
30		Utility Plant - Net	<u>7,510,605</u>
31			
32		Total Assets	<u>\$ 17,775,608</u>

**Application of Palmetto Wastewater Reclamation LLC**

**Docket No. 2014-69-S**

**Exhibit B**

**Page 2 of 14**

**Palmetto Wastewater Reclamation, LLC - Alpine and Woodland Utilities**  
**Balance Sheet**  
**for the Year Ended December 31, 2013**

**Schedule A**  
**Page 2 of 2**

<u>Line</u> <u>No.</u>	<u>NARUC Account Number and Title</u> (1)	<u>Year-End</u> <u>Balance</u> (2)
1	231 Accounts Payable	\$ 196,177
2	232 Notes Payable - Current Portion	638,041
3	233 Accts Payable to Assoc Co - Ni America Capital Management, LLC	3,460
4	233 Accts Payable to Assoc Co - Ni America Operating, LLC	891,240
5	233 Accts Payable to Assoc Co - Palmetto Utilities, Inc.	1,711,309
6	233 Accts Payable to Assoc Co - Ni Florida, LLC	807,147
7	233 Accts Payable to Assoc Co - Ni America Texas, LLC	467,000
8	233 Accts Payable to Assoc Co - Palmetto of Richland County, LLC	219,006
9	237 Accrued Interest	10,245
10	241 Accrued Expenses	20,561
11	Total Current & Accrued Liabilities	<u>4,964,186</u>
12		
13	224 Other Long-Term Debt	7,589,938
14		
15	Total Other Long-Term Debt	<u>7,589,938</u>
16		
17	271 Contributions in Aid of Construction (CIAC)	457,045
18	272 Accum Amortization of CIAC	(379,548)
19	Contributions in Aid of Construction (CIAC) - Net	<u>77,497</u>
20		
21	211 Other Paid-in Capital	<u>2,715,153</u>
22	Total Other Paid-in Capital	<u>2,715,153</u>
23		
24	215 Retained Earnings	<u>2,428,834</u>
25	Total Retained Earnings	<u>2,428,834</u>
26		
27	Total Liabilities & Equity	<u>\$ 17,775,608</u>
28		
29		
30		
31		
32		

Line No.	NARUC Account Number and Title (1)	Per Books (2)	Pro-forma Adjustments (3)	Pro-forma Present (4)	Proposed Increase (5)	Pro-forma Proposed (6)
1	400					
2	521.1					
3	521.2	\$	\$	1/ \$	\$	\$
4	521.5					
5						
6	536					
7	536					
8	536					
9	536					
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						

NARUC Account Number and Title		Per Books (2)	Pro-forma Adjustments (3)	Pro-forma Present (4)	Proposed Increase (5)	Pro-forma Proposed (6)
(1)						
1	ADMINISTRATIVE AND GENERAL EXPENSES					
2	733 Contract Services - Legal	\$ 180	\$ 4,836 21/	\$ 5,016	\$ -	\$ 5,016
3	741 Rent Expense	-	17,494 8/	17,494	-	17,494
4	750 Transportation Expense	8,686		8,686	-	8,686
5	757 General Liability Insurance	16,163		16,163	-	16,163
6	759 Pollution Insurance	15,406		15,406	-	15,406
7	760 Advertising Expenses	500		500	-	500
8	761 Bank Service Charges	1,626	215 6/	1,841	-	1,841
9	766 Regulatory Commission Expense - Write-Off	8,220		8,220	-	8,220
10	766 Regulatory Commission Expense - Amortization	56,528	77,234 10/	133,762	-	133,762
11	767 Regulatory Commission Expense - Other	750		750	-	750
12	770 Bad Debt Expense	31,025	17,355 4/	48,380	11,314	59,694
13	775.1 Telephone Expense	1,913		1,913	-	1,913
14	775.2 Dues, Fees, and Subscriptions	6,513	787 6/	7,300	-	7,300
15	775.3 Bank Fees	-	4,860 9/	4,860	-	4,860
16	775.5 Postage and Shipping	136		136	-	136
17	Miscellaneous General Expense - Overhead Allocation	-	971,474 5/	795,784	-	795,784
18			(175,690) 7/		-	
19	TOTAL ADMINISTRATIVE AND GENERAL EXPENSES	147,645	918,566	1,066,211	11,314	1,077,525
20						
21	TOTAL OPERATING AND MAINTENANCE EXPENSES	883,290	1,021,230	1,904,520	11,314	1,915,835
22						
23						
24						
25						
26						
27						
28						
29						
30						
31						
32						

Line No.	NARUC Account Number and Title (1)	Per Books (2)	Pro-forma Adjustments (3)	Pro-forma Present (4)	Proposed Increase (5)	Pro-forma Proposed (6)
1	DEPRECIATION AND AMORTIZATION EXPENSE					
2	403 Depreciation Expense	\$ 152,728	\$ 118,961	\$ 337,451	\$ -	\$ 337,451
3			51,794	12/		
4			13,967	13/		
5	407 Amortization Expense - CIAC	(4,200)	(40)	(4,240)	-	(4,240)
6	407 Amortization Expense - Capitalized Maintenance	220,925	(48,732)	315,207	-	315,207
7			143,015	16/		
8	TOTAL DEPRECIATION AND AMORTIZATION EXPENSE	369,453	278,965	648,418	-	648,418
9						
10	TAXES OTHER THAN INCOME TAX EXPENSE					
11	408 Taxes Other Than Income - Property Taxes	112,843	125,948	238,790	-	238,790
12	408 Taxes Other Than Income - SCPSC Assessment	12,777	-	12,777	-	12,777
13	TOTAL TAXES OTHER THAN INCOME TAX EXPENSE	125,620	125,948	251,567	-	251,567
14						
15	INCOME TAX EXPENSE					
16	409 Income Taxes - State Income Tax	26,775	(114,534)	(87,760)	37,149	(50,611)
17	409 Income Taxes - Federal Income Tax	172,963	(739,892)	(566,929)	239,982	(326,947)
18	410.1 Deferred Income Taxes	487,822	246,784	734,606	-	734,606
19	TOTAL INCOME TAX EXPENSE	687,560	(607,643)	79,917	277,131	357,047
20						
21	INTEREST INCOME AND INTEREST EXPENSE - NET					
22	420 Allowance for Funds Used During Construction	(132,901)	132,901	20/	-	-
23	427 Letter of Credit Fees	12,827		12,827	-	12,827
24	427 Interest Expense on Long-Term Debt	-	278,673	6/	-	278,673
25	427 Interest Expense on Interest Rate SWAP	-	9,705	6/	-	9,705
26	428 Amortization of Debt Expense	-	25,241	6/	-	25,241
27	427 & 428 Interest Synchronization	(120,074)	(119,899)	19/	-	(119,899)
28	INTEREST INCOME AND INTEREST EXPENSE - NET		326,621	206,547	-	206,547
29						
30	NET INCOME	1,155,764	(1,021,427)	134,337	465,847	600,184
31	Operating margin	37.26%		4.17%		15.08%
32						

Palmetto Wastewater Reclamation, LLC - Alpine and Woodland Utilities  
Income Statement  
Year Ended December 31, 2013

Line No.			
1	<u>Adjustments:</u>		
2			
3	<u>Adj. No. 1</u>	<u>To reflect revenue for a full year at current rates (additional 7 days).</u>	
4			
5	521.1	Flat Rate Residential Revenue (Including Mobile Home)	2,730
6	521.2	Flat Rate Commercial Revenue	8,529
7	521.5	Flat Rate Multi-Family Dwelling Revenue	11,635
8			
9			
10	<u>Adj. No. 2</u>	<u>To adjust revenue for the 336 unit Landmark Apartments at PWR - Alpine from \$4 to \$29.</u>	
11			
12	521.2	Flat Rate Multi-family Revenue	100,800
13			
14			
15	<u>Adj. No. 3</u>	<u>To reflect current Utility Partners (3rd party Operator) expense.</u>	
16			
17	734.1	Contract Services - Operations	39,200
18	734.2	Contract Services - Billing, Collections, and Customer Service	63,463
19			
20	<u>Adj. No. 4</u>	<u>To reflect Bad Debt Expense at 1.5% of Revenue at Present Rates.</u>	
21			
22	770	Bad Debt Expense	17,355
23			
24			
25	<u>Adj. No. 5</u>	<u>To allocate overhead to the latest calendar year level.</u>	
26	775.8	Miscellaneous General Expense - Overhead Allocation	971,474
27			
28			
29			
30			
31			
32			

Palmetto Wastewater Reclamation, LLC - Alpine and Woodland Utilities  
Income Statement  
Year Ended December 31, 2013

Line No.	Adj. No. 6	To allocate expenses of PWR LLC to Alpine and Woodland Utilities	
1			
2			
3	761	Bank Service Charges	215
4	775.2	Dues, Fees, and Subscriptions	787
5	427	Interest Expense on Long-Term Debt	278,673
6	427	Interest Expense on Interest Rate SWAP	9,705
7	428	Amortization of Debt Expense	25,241
8			
9			
10	Adj. No. 7	To eliminate overhead costs excluded by ORS in previous filings	
11			
12	775.8	Miscellaneous General Expense - Overhead Allocation	(175,690)
13			
14			
15	Adj. No. 8	To allocate a portion of the Palmetto office rent to Alpine and Woodland Utilities.	
16			
17			
18	741	Office Rent	17,494
19			
20			
21	Adj. No. 9	To allocate a portion of the Palmetto Bank Service Fees to Alpine and Woodland Utilities.	
22			
23			
24	775.3	Bank Fees	4,860
25			
26			
27	Adj. No. 10	To reflect the estimated Rate Case Expenses for this rate filing.	
28			
29	766	Rate Case Expense Amortization	77,234
30			
31			
32			



Palmetto Wastewater Reclamation, LLC - Alpine and Woodland Utilities  
Income Statement  
Year Ended December 31, 2013

Line No.		
1	Adj. No. 11	<u>To reflect depreciation expense related to Plant in Service as of 12-31-2013.</u>
2		
3	403	Depreciation Expense
4		118,961
5		
6	Adj. No. 12	<u>To reflect depreciation expense on CWIP expected to be in service by 6/30/2014.</u>
7		
8	403	Depreciation Expense
9		51,794
10		
11	Adj. No. 13	<u>To reflect depreciation expense on 2014 capital projects expected to be in service by 6/30/2014.</u>
12		
13	403	Depreciation Expense
14		13,967
15		
16	Adj. No. 14	<u>To reflect amortization expense related to CIAC as of 12-31-2013.</u>
17		
18	407	Amortization Expense
19		(40)
20	Adj. No. 15	<u>To annualize amortization of capitalized maintenance expense as of 12-31-2013</u>
21		
22	407	Amortization Expense
23		(48,732)
24		
25	Adj. No. 16	<u>To reflect amort. expense related to 2014 capitalized maintenance projects expected to be completed by 6/30/2014.</u>
26		
27	407	Amortization Expense
28		143,015
29		
30	Adj. No. 17	<u>To reflect the estimated Property Tax Expense for this rate filing.</u>
31		
32	408	Property Taxes
		125,948

Palmetto Wastewater Reclamation, LLC - Alpine and Woodland Utilities  
Income Statement  
Year Ended December 31, 2013

Line No.	Adj. No. 18	To reflect income taxes on pro-forma adjustments.	
1			
2			
3	409	Income Taxes - State Income Tax	(114,534)
4	409	Income Taxes - Federal Income Tax	(739,892)
5	410.1	Deferred Income Taxes	246,784
6			
7			
8	Adj. No. 19	To reflect interest synchronization.	
9			
10		Total Long term Debt	8,227,979
11		Percentage of Debt to Total Capital	61.77%
12		Net Plant Plus Working Capital	8,391,051
13		Debt portion of Net Plant Plus Working Capital	5,082,365
14		Interest Synchronization Ratio	61.77%
15		Total Interest Expense	313,619
16		Synchronized Interest	193,720
17		Adjustment	(119,899)
18			
19	Adj. No. 20	To eliminate AFUDC from the margin calculation.	
20			
21		Allowance for Funds Used During Construction	132,901
22			
23			
24	Adj. No. 21	To reflect Alpine legal costs recorded at NI America Operating, LLC.	
25			
26	733	Alpine Legal Costs	4,836
27			
28			
29			
30			
31			
32			

**Application of Palmetto Wastewater Reclamation LLC**

**Docket No. 2014-69-S**

**Exhibit B**

**Page 10 of 14**

**Palmetto Wastewater Reclamation, LLC - Alpine and Woodland Utilities**

**Schedule C**

**Page 1 of 2**

**Billed Revenue at Present and Proposed Rates**

<u>Line No.</u>	<u>Customer Class</u> (1)	<u>Avg. Monthly SFEs (#)</u> (2)	<u>Avg. Monthly Rate (\$/Mo.)</u> (3)	<u>Revenue (\$)</u> (4)
1	<b>Billed Revenue at Present Rates</b>			
2				
3	<b>PWR - Alpine</b>			
4	<b>Calculated Service Revenue</b>			
5	Residential	983.05	\$ 28.77	\$ 339,372
6	Residential - Mobile Home	0.84	25.73	259
7	Multi-Family	4,153.39	28.74	1,432,400
8	Multi-Family (\$4.00)	336.00	4.00	16,128
9	Commercial	2,807.64	28.75	968,532
10	<b>Total Calculated Service Revenue</b>	<b>8,280.92</b>		<b>2,756,692</b>
11				
12	<b>PWR - Woodland</b>			
13	<b>Calculated Service Revenue</b>			
14	Residential	416.54	\$ 24.00	\$ 119,964
15	Multi-Family	450.00	24.00	129,600
16	Commercial	46.68	24.00	13,444
17	<b>Total Calculated Service Revenue</b>	<b>913.22</b>		<b>263,008</b>
18				
19	<b>Total Calculated Service Revenue</b>			<b>\$ 3,019,700</b>
20				
21	<b>Actual Service Revenue</b>			<b>\$ 3,019,700</b>
22				
23	<b>Difference</b>			<b>\$ (0)</b>

**NOTE: See pro forma adjustment No. 1, Schedule B, Page 4 of 7, adjusting test year revenue to an annualized amount at the \$29.00/SFE tariff rate.**

## Application of Palmetto Wastewater Reclamation LLC

Docket No. 2014-69-S

Exhibit B

Page 11 of 14

Palmetto Wastewater Reclamation, LLC - Alpine and Woodland Utilities

Schedule C

Page 2 of 2

## Billed Revenue at Present and Proposed Rates

Line No.	Customer Class (1)	Avg. Monthly SFEs (#) (2)	Adj. SFEs (3)	Monthly Rate (\$/Mo.) (4)	Revenue (\$) (5)
1	Revenue at Proposed Rates				
2					
3	Service Revenue				
4	Residential	1,399.59	1,386.00	\$ 35.50	\$ 590,436
5	Residential - Mobile Home	0.84	0.75	26.50	318
6	Multi-family	4,939.39	5,353.50	35.50	2,280,591
7	Commercial	2,854.32	2,367.84	35.50	1,008,700
8	Subtotal	9,194.14	9,108.09		3,880,045
9					
10	Growth in SFEs				
11	Residential	1.41	1.41	35.50	601
12	Multi-family	-	40.00	35.50	17,040
13	Commercial	-	-	35.50	-
14	Total Growth	1.41	41.41		17,641
15					
16	Total Service Revenue	9,195.55	9,149.50		\$ 3,897,685
17					
18					
19					
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32					

## Page 12 of 14

[illegible]

# Application of Palmetto Wastewater Reclamation LLC

Docket No. 2014-69-S

Exhibit B

Page 13 of 14

Schedule D  
Page 2 of 2

Palmetto Wastewater Reclamation, LLC - Alpine and Woodland Utilities

Original Cost and Annual Depreciation and Amortization for the Year Ended December 31, 2013

Line No.	Acct No.	Description (2)	Original Cost @ 12-31-13 (3)	Pro-forma (4)		Pro-forma Original cost (6)	Service Life (7)	Annual Depr. Rate (8)	Annual Depr. Exp. (9)	Accum. Depr. @ 12-31-13 (10)	Pro-forma Depr. Exp. (11)
				Additions*	Retirements						
1		Plant in Service									
2		General Plant									
3											
4		Account 354.7 Structures and Improvements	49,240			49,240	32	3.13%	1,541	29,837	1,541
5											
6		Account 390.7 Office Furniture and Equipment									
7		Office Furniture and Equipment	5,042			5,042	15	6.67%	336	778	336
8		Computer and Software	14,481			14,481	6	16.67%	2,414	13,678	2,414
9		Total Account 390.7	19,523	-	-	19,523			2,750	14,456	2,750
10											
11		Account 393.7 Tools, Shop and Garage Equipment	4,309			4,309	16	6.25%	269	302	269
12		Account 394.7 Laboratory Equipment	3,631			3,631	15	6.67%	242	363	242
13		Account 395.7 Power Operated Equipment	78,179			78,179	12	8.33%	6,346	38,426	6,346
14		Account 396.7 Communication Equipment	24,856			24,856	10	10.00%	2,486	3,726	2,486
15		Account 397.7 Miscellaneous Equipment	8,219			8,219	15	6.67%	548	1,576	548
16		Total General Plant	185,958	-	-	185,958			14,183	88,686	14,183
17											
18		Total Plant in Service	\$ 6,447,454	\$ 1,382,716	\$ -	\$ 7,830,169			\$ 271,690	\$ 1,524,164	\$ 337,451
19											
20		Capitalized Maintenance									
21		186.2 5 yr.	1,183,086	1,000,805	-	2,183,891	7	14.29%	169,063	394,844	312,078
22		35 yr.	109,419			109,419	35	2.86%	3,129	1,922	3,129
23		Total Capitalized Maintenance	1,292,505	1,000,805	-	2,293,310			172,192	396,466	315,207
24											
25		Account 277 Contributions in Aid of Construction									
26		Contributions in Aid of Construction	(191,000)	-	-	(191,000)	45	2.22%	(4,240)	(113,503)	(4,240)
27		CIAC - Fully Amortized	(286,045)			(286,045)	-	-	-	(266,045)	-
28		Total Account 277	(457,045)	-	-	(457,045)			(4,240)	(379,548)	(4,240)
29											
30		Total	\$ 7,282,914	\$ 2,383,521	\$ -	\$ 9,666,434			\$ 439,642	\$ 1,541,082	\$ 648,418
31											
32											
33											

\* Pro-forma additions reflect \$938,536 of CWIP expected to be in service by 6-30-2014, \$444,180 of 2014 capital expenditures expected to be in service by 6-30-2014 and \$1,000,805 of 2014 capitalized maintenance expected to be completed by 6-30-2014.

Application of Palmetto Wastewater Reclamation LLC  
Docket No. 2014-69-S  
Exhibit B  
Page 14 of 14

Palmetto Wastewater Reclamation, LLC - Alpine and Woodland Utilities

Schedule E

Page 1 of 1

Present and Expected Customers

Line No.	Date	No. of Customers	SFEs	Adjusted SFEs*
1	<b>Residential</b>			
2	12/31/2012	1374	1,374.00	1,374.00
3	2013 Avg.	1401	1,400.43	1,400.43
4	12/31/2013	1387	1,386.75	1,386.75
5	12/31/2014	1389	1,388.70	1,388.70
6				
7	<b>Multi-family</b>			
8	12/31/2012	121	4,856.24	5,099.74
9	2013 Avg.	121	4,939.39	5,182.89
10	12/31/2013	121	5,110.00	5,353.50
11	12/31/2014	121	5,150.00	5,393.50
12				
13	<b>Commercial and Industrial</b>			
14	12/31/2012	227	2,908.22	2,791.09
15	2013 Avg.	228	2,854.32	2,837.19
16	12/31/2013	229	2,384.97	2,367.84
17	12/31/2014	229	2,384.97	2,367.84
18				
19	<b>Total</b>			
20	12/31/2012	1722	9,138.46	9,264.83
21	2013 Avg.	1750	9,194.14	9,420.51
22	12/31/2013	1737	8,881.72	9,108.09
23	12/31/2014	1739	8,923.67	9,150.04

\* Change in number of SFEs related to multi-family and commercial customers is based on the recent ERC/SFE study.

24  
25  
26  
27  
28  
29  
30  
31  
32

Application of Palmetto Wastewater Reclamation LLC  
Docket No. 2014-69-S

Exhibit C

Page 1 of 1

BOARD:

Paul C. Aughttry, III  
Chairman

Edwin H. Cooper, III  
Vice Chairman

Steven G. Kisner  
Secretary



C. Earl Hunter, Commissioner

*Promoting and protecting the health of the public and the environment*

BOARD:

Henry C. Scott

M. David Mitchell, MD

Glenn A. McCall

Coleman F. Buckhouse, MD

March 5, 2014

Via e-mail

Mr. Benjamin P. Mustian  
Willoughby & Hoefer, P.A.  
PO Box 8416  
Columbia, SC 29202-8416

RE: Your letter of March 5, 2014  
PSC application: Alpine & Woodland systems  
Palmetto Wastewater Reclamation LLC

Dear Mr. Mustian:

In the context of a PSC rate case, this letter affirms that this company has the valid wastewater permits to operate these systems. The Alpine system is authorized to discharge up to an average flow of 2.0 million gallons per day (SC0029483) and the Woodland Hill system is authorized to discharge an average flow of 0.288 million gallons per day (SC0029475).

I can be reached at 803-898-4157 or at [debessjp@dhec.sc.gov](mailto:debessjp@dhec.sc.gov).

Sincerely,

Jeffrey P. deBessonnet, P.E., Director  
Water Facilities Permitting Division

Cc: Willie Morgan, ORS



# Application of Palmetto Wastewater Reclamation LLC

Docket No. 2014-69-S

Exhibit D

Page 1 of 2



## MAKE CHECKS PAYABLE TO:

PWR - ALPINE  
1713 WOODCREEK FARMS RD. SUITE A  
ELGIN, SC 29045  
(803) 699-2422

IF YOU HAVE ANY QUESTIONS CONCERNING  
THIS BILL CALL (803) 699-2422

ACCOUNT NUMBER	BILLING DATE	02/05/2014
	DUE DATE	02/28/2014
	TOTAL AMOUNT DUE	29.00



T1 P1\*\*\*\*\*AUTO\*\*MIXED AADC 280



TO INSURE PROPER CREDIT TO YOUR ACCOUNT, PLEASE RETURN TOP PORTION WITH YOUR PAYMENT



PWR - ALPINE  
1713 WOODCREEK FARMS RD. SUITE A  
ELGIN, SC 29045  
(803) 699-2422

THIS BILL DOES NOT EXTEND TIME FOR PAYMENT OF ANY PREVIOUS  
BALANCE.

PLEASE KEEP THE BOTTOM PORTION FOR YOUR RECORDS.  
RETURN TOP PORTION WITH PAYMENT.

## PWR - ALPINE - CUSTOMER RECORD

COMMENTS Please see reverse side for important information regarding payment methods  
PALMETTO WASTEWATER RECLAMATION LLC HAS CONVERTED TO A NEW BILLING SYSTEM. THIS NEW BILLING SYSTEM WILL ASSIST US IN SERVING OUR CUSTOMERS BETTER. YOU WILL NOTICE THAT YOUR BILL INDICATES A NEW ACCOUNT NUMBER HAS BEEN ASSIGNED, PLEASE MAKE NOTE OF THAT WHEN MAKING YOUR PAYMENT. TO STREAMLINE PAYING YOUR BILL, YOU MAY GO ONLINE TO [WWW.NIAMERICA.COM](http://WWW.NIAMERICA.COM) AND VIEW THE DIFFERENT PAYMENT METHODS. DUE TO OUR NEW BILLING SYSTEM, IF YOU HAVE PREVIOUSLY PAID YOUR BILL ONLINE, YOU WILL NEED TO RE-REGISTER YOUR ACCOUNT WITH OUR NEW ONLINE BILL PAY SYSTEM. WE NOW ACCEPT VISA, MASTERCARD, DISCOVER, E-CHECK

SEWER SERVICE ADDRESS		BILLING DATE	ACCOUNT NUMBER
		02/05/2014	
DESCRIPTION OF SEWER SERVICES	SERVICE FROM	SERVICE TO	AMOUNT
ALPINE RESIDENTIAL	02/01/2014	02/28/2014	29.00
<p>Online payments can be made at <a href="http://www.niamerica.com">www.niamerica.com</a>. Choose the Pay Online/Online Payment option, select your utility provider PWR - Alpine and follow the prompts.</p> <p>There is no additional charge or administration fee for online payments and we accept MasterCard, Visa, Discover and Electronic checks.</p> <p>Office Hours: 8:30 A.M. To 4:30 P.M.</p>		PREVIOUS	29.00
		PAYMENT	29.00
		PAST DUE AMOUNT	00.00
		CURRENT	29.00
		TOTAL AMOUNT	29.00

# Application of Palmetto Wastewater Reclamation LLC

Docket No. 2014-69-S

Exhibit D

Page 2 of 2

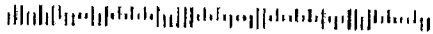


MAKE CHECKS PAYABLE TO:

PWR - WOODLAND  
1713 WOODCREEK FARMS RD, SUITE A  
ELGIN, SC 29045  
(803) 699-2422

IF YOU HAVE ANY QUESTIONS CONCERNING  
THIS BILL CALL (803) 699-2422

ACCOUNT NUMBER	BILLING DATE	02/05/2014
	DUE DATE	02/28/2014
	<b>TOTAL AMOUNT DUE</b>	24.00



YOUR ACCOUNT WILL BE DRAFTED ON 02/27/2014



5

TO INSURE PROPER CREDIT TO YOUR ACCOUNT, PLEASE RETURN TOP PORTION WITH YOUR PAYMENT



PWR - WOODLAND  
1713 WOODCREEK FARMS RD, SUITE A  
ELGIN, SC 29045  
(803) 699-2422

THIS BILL DOES NOT EXTEND TIME FOR PAYMENT OF ANY PREVIOUS  
BALANCE.

PLEASE KEEP THE BOTTOM PORTION FOR YOUR RECORDS.  
RETURN TOP PORTION WITH PAYMENT.

PWR - WOODLAND - CUSTOMER RECORD

COMMENTS	Please see reverse side for important information regarding payment methods
PALMETTO WASTEWATER RECLAMATION LLC HAS CONVERTED TO A NEW BILLING SYSTEM. THIS NEW BILLING SYSTEM WILL ASSIST US IN SERVING OUR CUSTOMERS BETTER. YOU WILL NOTICE THAT YOUR BILL INDICATES A NEW ACCOUNT NUMBER HAS BEEN ASSIGNED. PLEASE MAKE NOTE OF THAT WHEN MAKING YOUR PAYMENT. TO STREAMLINE PAYING YOUR BILL, YOU MAY GO ONLINE TO WWW.NIAMERICA.COM AND VIEW THE DIFFERENT PAYMENT METHODS. DUE TO OUR NEW BILLING SYSTEM, IF YOU HAVE PREVIOUSLY PAID YOUR BILL ONLINE, YOU WILL NEED TO RE-REGISTER YOUR ACCOUNT WITH OUR NEW ONLINE BILL PAY SYSTEM. WE NOW ACCEPT VISA, MASTERCARD, DISCOVER, E-CHECK	

SEWER SERVICE ADDRESS		BILLING DATE	ACCOUNT NUMBER
		02/05/2014	
DESCRIPTION OF SEWER SERVICES	SERVICE FROM	SERVICE TO	AMOUNT
WOODLAND RESIDENTIAL	02/01/2014	02/28/2014	24.00
<p>Online payments can be made at <a href="http://www.niame.com">www.niame.com</a>. Choose the Pay Online/Online Payment option, select your utility provider PWR - Woodland and follow the prompts.</p> <p>There is no additional charge or administration fee for online payments and we accept MasterCard, Visa, Discover and Electronic checks.</p> <p>Office Hours: 8:30 A.M. To 4:30 P.M.</p>		PREVIOUS	24.00
		PAYMENT	24.00
		PAST DUE AMOUNT	.00
		CURRENT	24.00
		TOTAL AMOUNT	24.00

YOUR ACCOUNT WILL BE DRAFTED ON 02/27/2014

Application of Palmetto Wastewater Reclamation LLC

Docket No. 2014-69-S

Exhibit E

Page 1 of 2

State of South Carolina

Department of Revenue

300A Outlet Pointe Blvd., P. O. Box 125, Columbia, South Carolina 29214

PSC UTILITY ASSESSMENT

L PDMS LOA PSCUTIL 80691193-6  
PALMETTO WASTEWATER RECLAMATION, LLC  
1713 WOODCREEK FARMS RD  
SUITE A  
ELGIN, SC 29045  
ATTEN: DONNA TUTTLE

FILE # 80691193-6  
FEI #  
PERIOD 06/13  
ISSUE DATE 06/07/13  
AMOUNT DUE \$12,987.73  
DUE DATE 07/15/13

Gross Receipts: \$1,958,695.00  
Administration Fee: \$2,984.53  
Electric: \$0.00  
Regulated Gas: \$0.00  
Municipality Gas: \$0.00  
Telecommunications: \$0.00  
Railroads: \$0.00  
Water/Waste: \$10,003.20  
Transportation: \$0.00  
Telecommunications LEC \$0.00  
Regulatory Staff Fee OR \$0.00

OK  
Dm

TOTAL DUE: \$12,987.73

G/L ACCT. CODE: 14-2450

Authorized Signature / Title

Phone Number

Date

Please attach your remittance to the enclosed copy of this notice and send it to:

SOUTH CAROLINA DEPARTMENT OF REVENUE  
Miscellaneous Tax Section  
(Address Above)

PHONE NUMBER: (803) 896-1970

# Application of Palmetto Wastewater Reclamation LLC

Docket No. 2014-69-S

Exhibit E 0873  
Page 2 of 2

**PALMETTO WASTEWATER RECLAMATION, LLC**  
(803) 699-2422  
1710 WOODCREEK FARMS ROAD  
ELGIN, SOUTH CAROLINA 29045

BANK OF AMERICA  
67-448/539

7/15/2013

PAY TO THE  
ORDER OF

South Carolina Department of Revenue

\$ \*\*12,987.73

Twelve Thousand Nine Hundred Eighty-Seven and 73/100\*\*\*\*\*

DOLLARS

South Carolina Department of Revenue  
License Tax Office Audit  
PO Box 125  
Columbia, SC 29214

VOID AFTER 90 DAYS

MEMO

PSC Utility Assessment for 07/01/13 - 06/30/14

AUTHORIZED SIGNATURE



## PALMETTO WATERWASTE RECLAMATION, LLC

0873

South Carolina Department of Revenue

Date	Type	Reference	Original Amt.	Balance Due	7/15/2013 Discount	Payment
7/17/2013	Bill	June 2013	12,987.73	12,987.73		12,987.73
					Check Amount	12,987.73

PWR Checking - 9631 PSC Utility Assessment for 07/01/13 - 06/30/14

12,987.73

## PALMETTO WATERWASTE RECLAMATION, LLC

0873

South Carolina Department of Revenue

Date	Type	Reference	Original Amt.	Balance Due	7/15/2013 Discount	Payment
7/17/2013	Bill	June 2013	12,987.73	12,987.73		12,987.73
					Check Amount	12,987.73

PWR Checking - 9631 PSC Utility Assessment for 07/01/13 - 06/30/14

12,987.73

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING AND HEARING

DOCKET NO. 2014-69-S

**APPLICATION OF PALMETTO WASTEWATER RECLAMATION LLC d/b/a ALPINE UTILITIES AND d/b/a WOODLAND UTILITIES FOR ADJUSTMENT OF RATES AND CHARGES FOR THE PROVISION OF SEWER SERVICE, CONSOLIDATION OF EXISTING RATE SCHEDULES INTO A SINGLE RATE SCHEDULE, AND MODIFICATIONS TO CERTAIN TERMS AND CONDITIONS OF THE PROVISION OF ITS SERVICE**

Palmetto Wastewater Reclamation LLC d/b/a Alpine Utilities and d/b/a Woodland Utilities (the Company) has filed an Application with the Public Service Commission of South Carolina (the Commission) for an adjustment of the Company's rates and charges for the provision of sewer service, consolidation of the Woodland Utilities rate schedule into the Alpine Utilities rate schedule, and modifications to certain terms and conditions of the provision of its service to customers in the Woodland portion of the Company's service area. The Company is a public utility, as defined by S.C. Code Ann. § 58-5-10(3) (Supp. 2013), providing sewer service to the public for compensation in certain areas of South Carolina pursuant to rates approved by the Commission in Docket No. 2012-94-S (Alpine) and Docket Nos. 2007-61-S and 2011-65-S (Woodland).

Pursuant to S.C. Code Ann. § 58-5-240, the Company requests that the Commission approve an increase in its monthly sewer service rates for all customers and the adoption of certain other non-recurring charges for current customers in the Woodland portion of its service area. In support of its request for this increase, the Company asserts, among other things, that the proposed sewer rate increases are necessary in order that it may provide reasonable and adequate service to its customers, allow the Company to recover its expenses of operation, comply with environmental regulations, and earn a reasonable return on its investment. The Company also asserts that the proposed sewer rate increase is necessary to preserve its financial integrity and to permit continued investment in and maintenance of its facilities so as to provide reliable and high quality services. Pursuant to S.C. Code Ann. Reg. 103-512.4.A, the Company also seeks modifications to certain terms and conditions of its rate schedule to be applied in the Woodland portion of its service territory, including the adoption of language pertaining to circumstances under which the Company will bill tenants for service, the inclusion of fees and charges for opening customer accounts, late payments, disconnection notifications and service reconnections, and the reflection of commercial rates based upon single family equivalency ratings. According to the Company, the result of these modifications will be uniform rates and terms and conditions of service for all customers served by the Company's Alpine and Woodland wastewater systems.

**THE PROPOSED CHANGES IN THE RATES AND CHARGES ARE SET FORTH BELOW**  
(The complete rate schedule is available from the Company at the address below and on the Commission's website at [www.psc.sc.gov](http://www.psc.sc.gov))

<b>Alpine Residential Monthly Charges</b>		
	<b>Current</b>	<b>Proposed</b>
Residential monthly charge Per single-family house, condominium, villa, or apartment unit	\$29.00	\$35.50
Mobile Home	\$21.76	\$26.50

<b>Woodland Residential Monthly Charges</b>	<b>Current</b>	<b>Proposed</b>
Residential monthly charge Per single-family house, condominium, villa, or apartment unit	\$24.00	\$35.50
Mobile Home	N/A	\$26.50

<b>Alpine Commercial Customers Monthly Charges</b>	<b>Current</b>	<b>Proposed</b>
Per Single Family Equivalent* Minimum**	\$29.00	\$36.50

<b>Woodland Commercial Customer Monthly Charges</b>	<b>Current***</b>	<b>Proposed</b>
Per Single Family Equivalent* Minimum**	\$1.70 per person	\$36.50

\*Charges for commercial establishments served by the Company are based upon single family equivalency (SFE) ratings set using wastewater treatment plant loading factors established in S.C. Code Regs. 61-67, Appendix A, with the exception that commercial customers in the category defined by R. 61-67.FF.3 shall have an equivalency rating of 0.025 per car served.

\*\*All commercial customers will pay based on a minimum SFE rating of one (1), which is \$36.50 per month. Some commercial customers will have minimum SFE ratings greater than one (1).

\*\*\*There is only one commercial customer (a school) currently served by the Company's Woodland system.

A copy of the Company's Application can be obtained from the Commission at the following address: Public Service Commission of South Carolina, Docketing Department, P. O. Drawer 11649, Columbia, South Carolina 29211. Additionally, the Company's Application is available on the Commission's website at [www.psc.sc.gov](http://www.psc.sc.gov).

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, 101 Executive Center Dr., Columbia, South Carolina on \_\_\_\_\_.

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure, on or before \_\_\_\_\_, and indicate the amount of time required for his presentation. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. ***Please refer to Docket No. 2014-69-S.***

Any person who wishes to testify and present evidence at the hearing should notify the Docketing Department, in writing, at the address below, the Office of Regulatory Staff, 1401 Main Street, Suite 900, Columbia, South Carolina 29201, and John M. S. Hoefer, Esquire, Willoughby & Hoefer, P.A., Post Office Box 8416, Columbia, South Carolina 29202-8416 on or before \_\_\_\_\_, and indicate the amount of time required for the presentation. ***Please refer to Docket No. 2014-69-S.***

**Any person who wishes to request a hearing in his or her county of residence should notify on or before \_\_\_\_\_**, in writing, the Docketing Department at the address below, the Office of Regulatory Staff, 1401 Main Street, Suite 900, Columbia, South Carolina 29201, and John M. S. Hoefer, Esquire, Willoughby & Hoefer, P. A., Post Office Box 8416, Columbia, South Carolina 29202-8416. ***Please refer to Docket No. 2014-69-S.***

Any person who wishes to be notified of any change in the hearing date, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department in writing at the address below on or before \_\_\_\_\_. ***Please refer to Docket No. 2012-94-S.***

**PLEASE TAKE NOTICE:** Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina  
Attn: Docketing Department  
Post Office Drawer 11649  
Columbia, SC 29211

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